

ST. TAMMANY PARISH SEWERAGE
DISTRICT NO. 1
Covington, Louisiana

FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-27-07

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Angela J. Parker, CPA

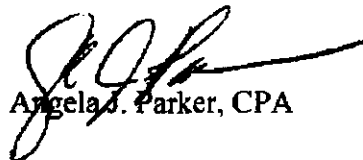
A Professional Accounting Corporation

To the Board of Commissioners
St. Tammany Parish Sewerage District No. 1
Covington, Louisiana

I have compiled the accompanying statement of net assets of St. Tammany Parish Sewerage District No. 1 as of December 31, 2006, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations and informed about such matters.



Angela J. Parker, CPA

June 14, 2007

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

ASSETS

	<u>2006</u>
Current Assets	
Cash and cash equivalents	\$551,146
Revenues receivables - Charges for services	7,646
Due from other governmental entity - St. Tammany Parish Waterworks	59,143
Accrued interest receivable	274
Total Current Assets	<u>618,209</u>
Property, plant and equipment (net of accumulated depreciation)	<u>229,832</u>
TOTAL ASSETS	<u><u>\$848,041</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	\$10,395
NET ASSETS	<u>837,646</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$848,041</u></u>

See Accountants' Compilation Report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>
OPERATING REVENUES	
Charges for services	\$92,083
OPERATING EXPENSES	
Bank Charges	37
Board Member Fees	1,320
Bookkeeping	2,777
Depreciation	4,616
Dues & Subscriptions	189
Fees	935
Insurance	2,559
Office supplies and expenses	518
Postage	776
Professional services	5,576
Repairs & Maintenance	53,682
Taxes & Licenses	320
Telephone	326
Utilities	17,731
Total operating expenses	<u>\$91,362</u>
OPERATING LOSS	721
NON OPERATING REVENUES AND EXPENSES	
Interest Income	<u>14,347</u>
NET INCOME (LOSS)	15,068
NET ASSETS AT BEGINNING OF YEAR	<u>822,578</u>
NET ASSETS AT END OF YEAR	<u><u>\$837,646</u></u>

See Accountants' Compilation Report.

ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

STATEMENT OF CASH FLOWS

DECEMBER 31, 2006

Cash Flows From Operating Activities	<u>2006</u>
Operating Loss	\$721
Adjustments to reconcile operating loss to cash provided by operating activities:	
Depreciation	4,616
Decrease/(Increase) in revenue receivables	(4,485)
Decrease/(Increase) in due from other governmental activity	(4,087)
Decrease/(Increase) in accrued interest receivable	(1)
Decrease/(Increase) in accounts payable	2,346
Net cash provided by operating activities	<u>(890)</u>
Cash flows from capital and related financing activities -	
Acquisition and construction of capital assets	0
Net cash used in financing activities	<u>0</u>
Cash flows from investing activities -	
Receipt of interest	14,347
Net cash provided by investing activities	<u>14,347</u>
Net increase in cash and cash equivalents	<u>13,457</u>
Cash and cash equivalents at beginning of year	537,689
Cash and cash equivalents at end of year	<u><u>\$551,146</u></u>

See Accountants' Compilation Report.

Angela J. Parker, CPA

A Professional Accounting Corporation

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Commissioners
St. Tammany Sewerage District No. 1
Covington, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the Management of St. Tammany Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Sewerage District No. 1's compliance with certain laws and regulations during the year ending December 31, 2006 included in the accompanying Louisiana Attestation Questionnaire. This agree-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No one expenditure was made during the year for materials and supplies exceeding \$20,000, and no one expenditure was made for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Mrs. Mary VanSickle was the only part-time bookkeeper employed by the Waterworks District No. 3 and part of her cost is charged to the Sewerage District No. 1. There are no full-time employees of the Sewerage District No. 1.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employee included on the list of employees provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Proprietary funds are not required to adopt an annual budget. The District did not adopt a budget for 2006.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Not applicable.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- a.) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six disbursements and found that payment was for the proper amount and made to the correct payee.

- b.) determine if payments were properly coded to the correct fund and general ledger account; and

I examined the six selected disbursements and found they were properly coded to the correct general ledger account.

- c.) determine whether payments received approval from proper authorities.

I examined the six selected disbursements and found they were all signed and approved.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

St. Tammany Parish Sewerage District No. 1 did post notices of meetings as required by LSA-RS 42. 1 through 42.12

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

There were no full time employees of the Sewerage District No. 1 for the period under examination.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of any opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of St. Tammany Sewerage District No. 1 the Legislative Auditor, State of Louisiana, St. Tammany Parish Government, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Angela J. Parker, CPA

June 14, 2006

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6-8-07 (Date Transmitted)

Angela J. PARKER, CPA APAC
P.O. Box 385
MANDEVILLE, LA 70470-0385
(Auditors)

12-31-2006

In connection with your review of our financial statements as of 12-31-2006 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

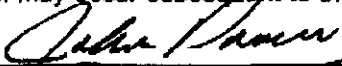

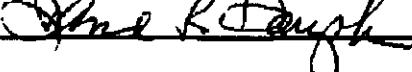
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	6-8-07	Date
	Treasurer	6-8-07	Date
	President	6-8-07	Date